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Johnson Votes for Tax Fairness for Seniors

House-Passed Bill Offers Simplified Tax Form for Seniors

WASHINGTON, D.C. – Congresswoman Nancy Johnson voted for legislation Wednesday to make it far easier for seniors to file their taxes through a new simplified tax form, the “Form 1040S.”

“This common sense legislation extends fairness for seniors, offering them a tax form tailored to their needs and making it far simpler for them to file their taxes,” Johnson said. “With this legislation, the benefits of the simplified 1040EZ will now be available to America’s seniors.”

The Simple Tax for Seniors Act (H.R. 4109) requires the IRS to offer a simplified tax form for seniors similar to the Form 1040EZ. The form would be designated “Form 1040S,” and it would be available for use in filing 2005 returns.

The IRS estimates that as many as 11 million seniors will be eligible to use the new form in the first year it is made available.

Under present Internal Revenue Service (IRS) rules, more than 35 million individuals age 65 or older are not permitted to use Form 1040EZ, and the ratio of seniors to all individual income tax filers is growing. According to an IRS study, the number of seniors age 65 and over filing returns will grow from 10.7 million in 2000 to 12.5 million in 2010. In light of this trend, the IRS has been considering a simplified tax form for seniors.

H.R. 4109 instructs the IRS to make the form available notwithstanding the receipt of Social Security benefits; distributions from a qualified retirement plan, annuity, or other deferred payment arrangement; interest or dividends; or capital gains or losses.

The IRS is further instructed not to establish an income threshold for use of the form so that seniors with income in excess of \$50,000 – the current threshold for Form 1040EZ – will be permitted to use the simplified form.

H.R. 4109 is supported by the nation’s largest seniors group, the American Association of Retired Persons (AARP). The House passed the bill yesterday by a unanimous vote.

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